
Results of 2020 Audits: Universities

Tabled 24 June 2021



About this report

Eight universities and their 41 controlled entities make up the Victorian public university sector. Each year, we audit these entities' financial reports and consider any risks to the sector's financial sustainability.

This report outlines the results of these audits for 2020. At the date of this report, the financial audits of four controlled entities are still in progress because these entities did not provide draft financial reports for us to audit within the required time frames.

Results of audits

We issued clear audit opinions across the sector. This means that universities and their controlled entities' financial reports are reliable.

Financial resilience

The coronavirus pandemic significantly affected the sector's financial performance during 2020. Revenue from international students declined due to border restrictions. The sector also generated less investment income due to the weakening of the global economy.

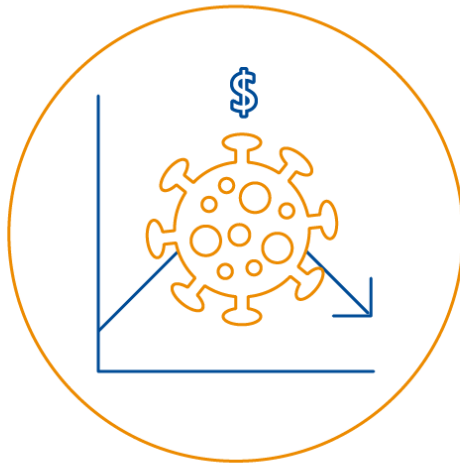
Universities managed this financial pressure in the short term through cost-reduction strategies, such as reducing staff numbers, and by increasing debt.

In the longer term, universities need to actively manage their costs and may need to rethink their business models to remain financially sustainable.

Key audit matters

We are concerned that we continue to find internal control issues relating to information technology weaknesses at some universities. Universities must prioritise and address these issues promptly, particularly because the shift to remote working and learning increases cybersecurity risks.

Financial resilience



Recommendation

We made one recommendation for all universities to prioritise resolving prior-year internal control issues.

To view our full report and interactive dashboard on Victorian universities, head to www.audit.vic.gov.au